



Dec. 10, 2013

House Committee on Energy and Technology
The Honorable Aric Nesbitt
Anderson House Office Building
124 North Capitol Avenue
Lansing, MI 48909

Dear Chairman Nesbitt and distinguished members of the Committee:

On behalf of the more than 88,000 activists of Americans for Prosperity-Michigan, I am writing to oppose a key provision contained in Senate Bill 636 that would direct an additional \$20 million into the Michigan Access Restructuring Fund largely at the expense of wireless customers. While the goal of making the transition to VoIP service is laudable, private carriers should be footing the bill not wireless customers through an unfair tax on their phone bills.

By directing an additional \$20 million to the Michigan Access Restructuring Fund, this legislation doubles down on a flawed model. Government should not pick economic winners and losers. Unfortunately, Michigan's Access Restructuring Mechanism engages in precisely this type of behavior by tacking on "fees" to customer phone bills and then doling out those dollars in the form of subsidies to incumbent local exchange carriers.

To add insult to injury, the companies that appear to benefit the most from these subsidies are not even based in Michigan and have billions in operating revenue. In other words, they are more than capable of funding the transition.

It is just wrong to redistribute dollars from wireless phone customers to large telecommunications companies in the form of government-allocated subsidies. This legislation warrants further discussion and scrutiny for our elected officials.

Please don't hesitate to contact me directly to discuss this issue further, (517) 853-9073 or shagerstrom@afphq.org.

Sincerely,

Scott Hagerstrom
State Director
Americans for Prosperity-Michigan